



MEMORANDUM

TO: Mayor and Council Members

FROM: Rey Arellano, Assistant City Manager

DATE: July 12, 2017

SUBJECT: Public Safety Compensation Reviews

At your Council meeting of April 20, 2017, Interim Labor Relations Officer Tom Stribling presented information regarding public safety department compensation. Since then, PFM Consulting Group, LLC conducted a compensation review for all three departments.

The attached memo from Interim Labor Relations Officer Larry Watts provides the compensation review documents. Mr Watts' memo also identifies differences in the compensation information contained in the attached analyses as compared to the information provided to City Council on April 20, 2017.

Please don't hesitate to contact Mark Washington or me if you have any questions.


cc: Elaine Hart, Interim City Manager

Mark Washington, Assistant City Manager



MEMORANDUM

TO: Elaine Hart, Interim City Manager
Rey Arellano, Assistant City Manager
Mark Washington, Assistant City Manager
Brian Manley, Acting Police Chief
Rhoda Mae Kerr, Fire Chief
Ernesto Rodriguez, EMS Chief

FROM:  Larry Watts, Interim Labor Relations Officer

DATE: July 12, 2017

SUBJECT: PFM Public Safety Compensation Reviews

As you are aware, on April 20, 2017, Interim LRO Officer, Tom Stribling, presented information to council regarding preliminary public safety market reviews conducted by the PFM group. Attached to this correspondence are the final reports regarding the Public Safety Compensation Reviews finalized by the PFM Group.

These reviews include the following updates to the data shared:

Police Officer Base Pay rates:

- Fort Worth reached an agreement on pay after the April 20 presentation and adjusted their pay by 2%. This increase did not result in any changes to the market differential between Austin and the market medians. (page 9 on the April 20 presentation and page 7 on the PFM Police report dated June 23).
- Arlington Max Base rate plus Longevity went up to \$82,268 from \$79,459. This increase did not result in any changes to the market differential between Austin and the market medians. (page 9 on the April 20 presentation and page 7 on the PFM Police report dated June 23).

Firefighter Base Pay Rates:

- Corpus Christi adjusted their Post Probation rate from \$48,000 to \$50,124. This resulted in a 2% differential between Austin and the market median for that column only. All the other

differentials remained constant with the information shared previously. (Page 10 on the April 20 presentation and page 8 on the PFM Fire report dated July 6)

EMS Medic Rates:

- EMS Pay information was not provided at the April 20 presentation because the data was not available at that time. The EMS Survey is enclosed with this correspondence.

Please let me know should you have any questions or concerns in this regard.



City of Austin, Texas

Police Compensation Analysis

June 23, 2017

PFM Group Consulting
LLC

1735 Market Street
43rd Floor
Philadelphia, PA 19103

215.567.6100
pfm.com



Overview

- City of Austin police officer compensation is highly competitive with other large local law enforcement agencies in Texas and around the nation
- Based on a survey of the eight largest cities by population in Texas (including Austin), Austin ranks first at multiple career junctures for police officers, as well as at the pay range maximum for lead and supervisory ranks
- Based on a survey of four similarly sized, fast-growing cities from across the nation, Austin frequently ranks above the median for police officer and police supervisor pay
- Pay premiums available to Austin police officers are also very competitive with the Texas and national cities surveyed
- Austin wage increases since FY 2014 have been in-line with both comparison groups
- When adjusting for regional pay differences among Texas jurisdictions, Austin also retains its strong relative position to other large Texas law enforcement agencies



Methodology

- To evaluate relative compensation, PFM surveyed contacts at each jurisdiction, and collected and reviewed key documents (e.g., pay plans, collective bargaining agreements, civil service manuals, etc.)
- After collection of these data, PFM asked detailed follow-up questions to clarify compensation practices
- All compensation comparisons in the slides that follow are effective 9/30/2017 – the final day of the Austin Police Associations Meet and Confer Agreements – unless noted otherwise
- Cash compensation figures include base pay and longevity (where applicable) only. Additional pay premiums are presented separately
- Several jurisdictions have fiscal years that do not end on September 30. Accordingly, compensation trends across contract periods may not precisely align with Austin



Police Officer Compensation



Survey Context – Texas Cities

Community Demographics

- To evaluate the competitiveness of Austin police officer compensation, PFM surveyed the eight largest cities in Texas by population (including Austin)
- Among jurisdictions surveyed, Austin ranks first in income levels and home values, while maintaining the second fastest population growth rate since 2000

	Total Population (2015)	Population 2000 Census	Population Change (2000-2015)	Median Family Income (2015)	Per Capita Income (2015)	Median Home Value (2015)
Austin	931,840	656,562	41.9%	\$76,629	\$36,949	\$282,700
Arlington	388,122	332,969	16.6%	\$61,153	\$25,417	\$144,900
Corpus Christi	324,082	277,454	16.8%	\$61,675	\$25,778	\$124,300
Dallas	1,300,082	1,188,580	9.4%	\$49,088	\$30,569	\$152,400
El Paso	681,136	563,662	20.8%	\$50,477	\$20,376	\$118,500
Fort Worth	836,969	534,694	56.5%	\$64,786	\$26,463	\$136,700
Houston	2,298,628	1,953,631	17.7%	\$52,024	\$29,310	\$152,200
San Antonio	1,469,824	1,144,646	28.4%	\$55,713	\$23,748	\$126,600
Median (Excluding Austin)	836,969	563,662	17.7%	\$55,713	\$25,778	\$136,700
Austin Rank	4 of 8	4 of 8	2 of 8	1 of 8	1 of 8	1 of 8

Source: United States Census Bureau, American Community Survey 2015 1-Year Estimates; 2000 Census, General Demographic Characteristics
Above figures include population growth due to annexation, where applicable



Police Officer – Entry (Texas Cities)

- Austin's academy rate is within 5% of the survey group median, trailing by 4.8% and ranking 7th of 8 jurisdictions
- Following graduation from the academy – i.e., while on probation – Austin's rank improves to 2nd of 8, approximately 19.3% above the survey group median
- Following the probationary period, Austin's relative position improves further to 1st of 8 – approx. 24.5% above the survey group median

	Police Cadet or Trainee	Police Officer Probationary	Police Officer Post-Probationary
Austin	\$40,000	\$58,681	\$65,850
Arlington	\$59,265	\$59,265	\$62,238
Corpus Christi	\$43,380	\$50,382	\$52,903
Dallas	\$46,870	\$46,870	\$49,207
El Paso	\$34,538	\$42,888	\$45,033
Fort Worth	\$40,921	\$56,609	\$59,415
Houston	\$42,000	\$42,000	\$49,918
San Antonio	\$40,700	\$49,188	\$59,184
Median (excluding Austin)	\$42,000	\$49,188	\$52,903
Austin Variance	-4.8%	19.3%	24.5%
Austin Rank	7 of 8	2 of 8	1 of 8



Police Officer Base Pay – Career Junctures (Texas Cities)

- Austin police officer base pay ranks 1st of 8 at each of the career junctures below

	Post- Probation	Year 2	Year 6	Year 10	Year 14	Year 16	Maximum Base Pay	Max Base + Longevity
Austin	\$65,850	\$72,681	\$77,766	\$83,211	\$89,035	\$95,270	\$95,270	\$97,945
Arlington	\$62,238	\$65,389	\$75,627	\$75,627	\$75,627	\$77,519	\$79,459	\$82,268
Corpus Christi [1]	\$52,903	\$55,661	\$67,779	\$71,161	\$74,718	\$74,718	\$74,718	\$76,158
Dallas[2]	\$49,207	\$51,688	\$62,812	\$74,172	\$81,776	\$81,776	\$81,776	\$82,976
El Paso	\$45,033	\$47,284	\$57,474	\$65,944	\$72,058	\$73,506	\$75,704	\$76,904
Fort Worth	\$59,415	\$62,412	\$70,511	\$74,061	\$79,716	\$83,840	\$83,840	\$85,040
Houston	\$49,918	\$56,417	\$59,088	\$65,826	\$67,023	\$67,023	\$73,388	\$74,688
San Antonio [3]	\$59,184	\$59,184	\$63,168	\$64,428	\$64,428	\$65,700	\$67,008	\$79,069
Median (excluding Austin)	\$52,903	\$56,417	\$63,168	\$71,161	\$74,718	\$74,718	\$75,704	\$79,069
Austin Variance	24.5%	28.8%	23.1%	16.9%	19.2%	27.5%	25.8%	23.9%
Austin Rank	1 of 8	1 of 8	1 of 8	1 of 8	1 of 8	1 of 8	1 of 8	1 of 8

[1] Corpus Christi: police officer job match assumes promotion to senior police officer upon earliest opportunity (five years of completed service)

[2] Dallas: police officer job match assumes promotion to senior corporal upon reaching the maximum step of the pay scale

[3] San Antonio: City has education requirements for movement through pay scale. Assumes officer meets educational requirement and moves through the steps at the earliest opportunity



Police Corporal Base Pay (Texas Cities)

- In Austin, police officers have the opportunity to promote to corporal – who serve as lead workers – before promoting to sergeant
- Three jurisdictions – Arlington, Corpus Christi, and San Antonio – lack similar non-supervisory promotional opportunities
- Austin corporal base pay ranks 1st of 8 at each of the career junctures below (highest paid non-supervisory rank shown in the table below)

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin	\$79,220	\$103,844	\$106,519
<i>Arlington*</i>	\$62,238	\$79,459	\$82,268
<i>Corpus Christi*</i>	\$52,903	\$74,718	\$76,158
Dallas	\$51,688	\$81,776	\$82,976
El Paso	\$45,033	\$75,704	\$76,904
Fort Worth	\$74,298	\$90,563	\$90,563
Houston	\$49,918	\$73,388	\$74,688
<i>San Antonio*</i>	\$59,184	\$67,008	\$79,069
Median (excluding Austin)	\$52,903	\$75,704	\$79,069
Austin Variance	49.7%	37.2%	34.7%
Austin Rank	1 of 8	1 of 8	1 of 8

* Denote no Corporal job match reported by jurisdiction. Arlington and San Antonio reflect police officer (minimum is equal to post-probationary rate); Corpus Christi reflects senior police officer (full-performance police officer) as corporal job match



Police Detective Base Pay (Texas Cities)

- Austin ranks 1st of 8 for police detective base pay

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin	\$79,220	\$103,844	\$106,519
Arlington	\$62,838	\$80,059	\$82,868
Corpus Christi	\$64,609	\$74,718	\$76,158
Dallas	\$52,888	\$82,976	\$84,176
El Paso	\$62,158	\$75,704	\$76,904
Fort Worth	\$74,298	\$90,563	\$91,763
Houston	\$68,823	\$75,188	\$76,488
San Antonio	\$68,880	\$74,484	\$87,891
Median (excluding Austin)	\$64,609	\$75,704	\$82,868
Austin Variance	22.6%	37.2%	28.5%
Austin Rank	1 of 8	1 of 8	1 of 8

* - Arlington (\$50/month), Dallas (\$100/month), and Houston (\$1,800/year) include detective/investigative incentive pay premiums



Police Sergeant Base Pay (Texas Cities)

- Austin ranks 1st of 7 for sergeant base pay

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin	\$92,393	\$113,186	\$115,861
Arlington	\$82,146	\$90,566	\$93,987
Corpus Christi	No Match		
Dallas	\$56,598	\$89,558	\$90,758
El Paso	\$66,664	\$79,797	\$80,997
Fort Worth	\$85,817	\$101,973	\$103,173
Houston	\$80,488	\$84,601	\$85,901
San Antonio	\$78,240	\$81,384	\$96,033
Median (excluding Austin)	\$79,364	\$87,080	\$91,262
Austin Variance	16.4%	30.0%	25.4%
Austin Rank	1 of 7	1 of 7	1 of 7



Police Lieutenant Base Pay (Texas Cities)

- Austin ranks 1st of 8 for lieutenant base pay

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin	\$106,253	\$130,166	\$132,841
Arlington	\$97,481	\$102,355	\$105,883
Corpus Christi	\$76,590	\$86,649	\$88,089
Dallas	\$62,001	\$98,094	\$99,294
El Paso	\$76,086	\$94,357	\$95,557
Fort Worth	\$99,337	\$112,431	\$113,631
Houston	\$89,618	\$94,818	\$96,118
San Antonio	\$87,624	\$91,164	\$107,574
Median (excluding Austin)	\$87,624	\$94,818	\$99,294
Austin Variance	21.3%	37.3%	33.8%
Austin Rank	1 of 8	1 of 8	1 of 8



Police Commander Base Pay (Texas Cities)

- Austin ranks 1st of 8 for commander base pay

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin	\$131,465	\$150,513	\$153,188
Arlington	No Response	No Response	No Response
Corpus Christi	\$88,371	\$93,413	\$94,853
Dallas	\$107,652	\$107,652	\$108,852
El Paso	\$87,461	\$108,858	\$110,058
Fort Worth	\$109,886	\$121,264	\$122,464
Houston	\$103,254	\$111,921	\$113,221
San Antonio	\$100,548	\$104,604	\$123,433
Median (excluding Austin)	\$101,901	\$108,255	\$111,639
Austin Variance	29.0%	39.0%	37.2%
Austin Rank	1 of 7	1 of 7	1 of 7



Texas Cities Summary

- Consistent with its relative income levels and housing values, Austin compensation levels rank at the top of the Texas City comparison group

Austin Rank	
Population Change (2000 – 2015)	2 of 8
Median Family Income (2015)	1 of 8
Per Capita Income (2015)	1 of 8
Median Home Value (2015)	1 of 8
Police Officer (Post-Probation)	1 of 8
Police Officer (Max Base + Longevity)	1 of 8
Corporal (Max Base + Longevity)	1 of 8
Detective (Max Base + Longevity)	1 of 8
Sergeant (Max Base + Longevity)	1 of 7
Lieutenant (Max Base + Longevity)	1 of 8
Commander (Max Base + Longevity)	1 of 7



Survey Context – National Cities

Community Demographics

- To provide additional perspective on the competitiveness of Austin police officer compensation, PFM surveyed four large cities with populations greater than 500,000, and like Austin, experienced strong population growth in recent years
- Relative to the national jurisdictions surveyed, Austin ranks 3rd, 2nd, and 4th in median family income, per capita income, and median home value, respectively

	Total Population (2015)	Population 2000 Census	Population Change (2000-2015)	Median Family Income (2015)	Per Capita Income (2015)	Median Home Value (2015)
Austin, TX	931,840	656,562	41.9%	\$76,629	\$36,949	\$282,700
Denver, CO	682,545	554,636	23.1%	\$72,455	\$36,792	\$316,700
Phoenix, AZ	1,563,001	1,321,045	18.3%	\$55,175	\$25,222	\$200,800
Portland, OR	632,187	529,121	19.5%	\$78,527	\$34,345	\$348,300
San Jose, CA	1,026,919	894,943	14.7%	\$101,150	\$38,466	\$717,100
Austin Rank	3 of 5	3 of 5	1 of 5	3 of 5	2 of 5	4 of 5
Multi-City Median (Excluding Austin)	854,732	724,790	18.9%	\$75,491	\$35,569	\$332,500

Source: United States Census Bureau, American Community Survey 2015 1-Year Estimates; 2000 Census, General Demographic Characteristics



Police Officer – Entry (National Cities)

- Austin's academy rate and probationary rate trail the survey group median
- Following the probationary period (approx. two years following entrance into the academy), Austin's relative position improves to 2nd of 5

	Police Cadet or Trainee	Police Officer Probationary	Police Officer Post-Probationary
Austin, TX	\$40,000	\$58,681	\$65,850
Denver, CO	\$51,779	\$63,679	\$63,679
Phoenix, AZ	\$47,798	\$51,480	\$54,475
Portland, OR*	\$60,840	\$60,840	\$64,584
San Jose, CA	\$79,142	\$92,206	\$96,751
Median (excluding Austin)	\$56,310	\$62,260	\$64,132
Austin Variance	-29.0%	-5.7%	2.7%
Austin Rank	5 of 5	4 of 5	2 of 5

* Portland: In Oregon, all local police department cadets attend a 16-week Basic Academy in Salem administered by the State Department of Public Safety Standards and Training. While at the state academy, Portland police officers earn the same rate as while on probation



Police Officer Base Pay – Career Junctures (National Cities)

- Austin police officer base pay is competitive with the national jurisdictions surveyed – exceeding the national city median at post-probation and Year 2, trailing at Year 6 and Year 10, and again surpassing the survey group median at Year 14, Year 16, and maximum

	Post-Probation	Year 2	Year 6	Year 10	Year 14	Year 16	Maximum Base Pay	Max Base + Longevity
Austin, TX	\$65,850	\$72,681	\$77,766	\$83,211	\$89,035	\$95,270	\$95,270	\$97,945
Denver, CO*	\$63,679	\$68,178	\$85,763	\$85,763	\$85,763	\$85,763	\$85,763	\$90,083
Phoenix, AZ	\$54,475	\$57,699	\$69,618	\$72,426	\$72,426	\$72,426	\$72,426	\$76,426
Portland, OR	\$64,584	\$68,432	\$84,094	\$84,094	\$84,094	\$84,094	\$84,094	\$89,981
San Jose, CA	\$96,751	\$101,629	\$123,483	\$123,483	\$123,483	\$123,483	\$123,483	\$123,483
Median (excluding Austin)	\$64,132	\$68,305	\$84,929	\$84,929	\$84,929	\$84,929	\$84,929	\$90,032
Austin Variance	2.7%	6.4%	-8.4%	-2.0%	4.8%	12.2%	12.2%	8.8%
Austin Rank	2 of 5	2 of 5	4 of 5	4 of 5	2 of 5	2 of 5	2 of 5	2 of 5

* Denver: Longevity capped at 30 YOS; presuming a 30-Year career



Police Corporal Base Pay (National Cities)

- Austin ranks 2nd of 5 for police corporal base pay at maximum

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$79,220	\$103,844	\$106,519
Denver, CO*	\$94,432	\$94,432	\$98,752
Phoenix, AZ	\$54,475	\$72,426	\$76,426
Portland, OR	\$64,584	\$84,094	\$89,981
San Jose, CA	\$96,751	\$123,483	\$123,483
Median (excluding Austin)	\$79,508	\$89,263	\$94,367
Austin Variance	-0.4%	16.3%	12.9%
Austin Rank	3 of 5	2 of 5	2 of 5

* Denver: Longevity capped at 30 YOS; presuming a 30-Year career



Police Detective Base Pay (National Cities)

- Austin ranks 2nd of 5 for police detective base pay at maximum

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$79,220	\$103,844	\$106,519
Denver, CO [1]	\$94,432	\$94,432	\$98,752
Phoenix, AZ [2]	\$54,475	\$72,426	\$76,426
Portland, OR	\$83,075	\$96,699	\$103,468
San Jose, CA	\$96,751	\$123,483	\$123,483
Median (excluding Austin)	\$88,754	\$95,566	\$101,110
Austin Variance	-10.7%	8.7%	5.3%
Austin Rank	4 of 5	2 of 5	2 of 5

[1] Denver: Longevity capped at 30 YOS; presuming a 30-Year career

[2] Phoenix: In addition to figures in table above, detectives receive an additional \$320 added to equipment allowance



Police Sergeant Base Pay (National Cities)

- Austin ranks 2nd of 5 for police sergeant base pay at maximum

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$92,393	\$113,186	\$115,861
Denver, CO*	\$102,538	\$102,538	\$106,858
Phoenix, AZ	\$73,528	\$102,336	\$106,336
Portland, OR	\$83,075	\$96,699	\$103,468
San Jose, CA	\$117,603	\$142,931	\$142,931
Median (excluding Austin)	\$92,807	\$102,437	\$106,597
Austin Variance	-0.4%	10.5%	8.7%
Austin Rank	3 of 5	2 of 5	2 of 5

* Denver: Longevity capped at 30 YOS; presuming a 30-Year career



Police Lieutenant Base Pay (National Cities)

- Austin ranks 3rd of 5 for lieutenant base pay at maximum

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$106,253	\$130,166	\$132,841
Denver, CO [1]	\$117,595	\$117,595	\$121,915
Phoenix, AZ	\$87,984	\$122,782	\$126,782
Portland, OR [2]	\$116,683	\$126,845	\$135,724
San Jose, CA	\$136,136	\$165,537	\$165,537
Median (excluding Austin)	\$117,139	\$124,813	\$131,253
Austin Variance	-9.3%	4.3%	1.2%
Austin Rank	4 of 5	2 of 5	3 of 5

[1] Denver: Longevity capped at 30 YOS; presuming a 30-Year career

[2] Portland: Wage increase effective 7/2017 estimated to be approximately 2.2%



Police Commander Base Pay (National Cities)

- Austin ranks 4th of 5 for commander base pay at maximum

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$131,465	\$150,513	\$153,188
Denver, CO [1]	\$132,466	\$132,466	\$136,786
Phoenix, AZ	\$94,524	\$151,239	\$155,239
Portland, OR [2]	\$144,664	\$150,446	\$160,977
San Jose, CA	\$157,620	\$191,551	\$191,551
Median (excluding Austin)	\$138,565	\$150,843	\$158,108
Austin Variance	-5.1%	-0.2%	-3.1%
Austin Rank	4 of 5	3 of 5	4 of 5

[1] Denver: Longevity capped at 30 YOS; presuming a 30-Year career

[2] Portland: Wages effective 6/30/2017; most recent data available



National Cities Summary

- Consistent with its relative economic position, Austin compensation levels generally rank above the midpoint, but not at the top, of this national survey group

Austin Rank	
Population Change (2000 – 2015)	1 of 5
Median Family Income (2015)	3 of 5
Per Capita Income (2015)	2 of 5
Median Home Value (2015)	4 of 5
Police Officer (Post-Probation)	2 of 5
Police Officer (Max Base + Longevity)	2 of 5
Corporal (Max Base + Longevity)	2 of 5
Detective (Max Base + Longevity)	2 of 5
Sergeant (Max Base + Longevity)	2 of 5
Lieutenant (Max Base + Longevity)	3 of 5
Commander (Max Base + Longevity)	4 of 5



Pay Premiums



Police Pay Premiums

- The City of Austin offers an array of longevity, education, certification, and assignment pay premiums that further increase police officer compensation
- While pay premium practices vary considerably across each of the comparison groups, Austin's pay premiums – in the number of premiums offered and the level of cash compensation provided – are very competitive with Texas and National Cities surveyed



Police Pay Premiums

- The table below provides a summary of some of the premium provided offered across the comparison groups

	<u>Austin</u>	<u>Arlington</u>	<u>Corpus Christi</u>	<u>Dallas</u>	<u>El Paso</u>	<u>Fort Worth</u>	<u>Houston</u>	<u>San Antonio</u>	<u>TX CITIES & COUNTIES</u>	<u>Denver, CO</u>	<u>Phoenix, AZ</u>	<u>Portland, OR</u>	<u>San Jose, CA</u>	<u>NATIONAL CITIES</u>	<u>TOTAL</u>
Longevity	✓	✓	✓	✓	✓	✓	✓	✓	7	✓	✓	✓		3	11
Education	✓	✓	✓	✓	✓	✓	✓	✓	7			✓		1	9
Certification	✓			✓	✓	✓	✓	✓	5				✓	1	7
Shift Differentials	✓	✓	✓	✓	✓	✓	✓	✓	7		✓	✓		2	10
On-Call Pay	✓		✓		✓			✓	3	✓	✓	✓	✓	4	8
Field Officer Training	✓	✓	✓	✓	✓	✓	✓	✓	7		✓	✓	✓	3	11
Court time	✓		✓	✓	✓	✓	✓	✓	6	✓	✓	✓	✓	4	11
Uniform & Equipment Allowance	✓	✓	✓			✓	✓	✓	5	✓	✓	✓	✓	4	10
Bilingual	✓	✓		✓		✓	✓	✓	5	✓	✓		✓	3	9
Patrol Duty			✓	✓			✓		3					0	3
Fitness Incentive Pay						✓	✓	✓	3					0	3
Bomb Squad			✓				✓	✓	3	✓	✓	✓	✓	4	7
Motorcycle Assignment					✓		✓		2	✓	✓	✓	✓	4	6
K-9 Unit			✓			✓	✓	✓	4	✓	✓	✓	✓	4	8



Longevity

- Austin's longevity pay formula is very competitive with the Texas cities surveyed

Longevity Formula	
Austin	\$107 x YOS (max of 25 YOS)
Texas Jurisdictions	
Arlington	Stability Index Pay after 5 YOS – \$112.33 x YOS (Police Officer); \$136.83 x YOS (Sergeant); \$141.13 x YOS (Lieutenant) up to 25 YOS. Prior to 5 YOS – \$42 x YOS
Corpus Christi	\$72 x first 10 YOS; \$48 for 11 to 25 YOS (max of 25 YOS)
Dallas	\$48 x YOS (max of 25 YOS)
El Paso	\$48 x YOS (max of 25 YOS)
Fort Worth	\$48 x YOS (max of 25 YOS)
Houston	\$52 x YOS (max of 25 YOS)
San Antonio	3% of base pay for each 5 YOS (max 18% at 30 YOS) In years when not a multiple of five, officers receive additional \$96 longevity pay per YOS
National Jurisdictions	
Denver, CO	\$144 x YOS (max of 45 YOS)
Phoenix, AZ	\$160 for each year from 7 years of service through 20th year of service; \$250 per year with 20 years of service (max of 22 YOS)
Portland, OR	3.0% at 15 YOS; 5.0% at 20 YOS; 7% at 25 YOS
San Jose, CA	None



Education and Certification Pay – Texas Cities

- Austin's education and certification pay premiums are in-line with other Texas cities surveyed

Educational Premium Pay			Certification Premium Pay	Pay for Both?
Austin	60 College Credit hours: \$1,200 Associates Degree: \$1,200 Bachelors Degree: \$2,640 Masters Degree: \$3,600		Basic: \$0 Intermediate: \$0 Advanced: \$0 Master: \$1,800	No
Arlington	30 to 90 College Credit Hours: \$300 - \$900 Bachelors Degree: \$1,320		None	N/A
Corpus Christi	Max w/out Associate's: \$852 Associates Degree: \$852 Bachelors Degree: \$1,500 Masters Degree: \$1,860		None	N/A
Dallas	Max w/out Bachelors: \$2,880 Bachelors Degree: \$3,600		Basic: \$0 Intermediate: \$2,400 Advanced: \$2,400 Master: \$6,000	Yes
El Paso	Associates Degree: \$540 Bachelors Degree: \$1,800 Masters Degree: \$2,100		Basic: \$0 Intermediate: \$660 Advanced: \$1,260 Master: \$1,260	Yes
Fort Worth	Associates Degree: \$720 Bachelors Degree: \$1,440 Masters Degree: \$1,440		Basic: 0 Intermediate: \$360 Advanced: \$720 Master: \$1,440	No
Houston*	Bachelors Degree: \$3,640 Masters Degree: \$6,240 Doctorate: \$8,840		Level One (1-5 YOS) \$1,400 Level Two (6-11 YOS) \$3,361 Level Three (12+ YOS) \$8,282	Yes
San Antonio	65 to 230+ Credit Hours: \$720- \$2,880 Associates Degree: \$2,580 Bachelors Degree: \$3,780 Masters Degree: \$4,020 Doctorate or Equivalent: \$4,200		Basic: \$600 Intermediate: \$1,920 Advanced: \$2,400 Masters: \$2,880	Yes

* - Houston: certification pay categorized as "levels" based on years of service and require a basic certification



Education Pay – National Cities

- Austin's educational pay premiums are also competitive with the national jurisdictions surveyed

Educational Premium Pay		
Austin	60 College Credit hours:	\$1,200
	Associates Degree:	\$1,200
	Bachelors Degree:	\$2,640
	Masters Degree:	\$3,600
Denver, CO	None	
Phoenix, AZ	Career Enhancement Pay*	
Portland, OR	Bachelors Degree: 2% of Police Officer Top Step Separate educational pay premiums available to supervisory ranks	
San Jose, CA	None	

* Phoenix provides "career enhancement pay" based on points system depending on training, skills, experience, and education. Annual payments range from \$1,903 to \$7,613



Shift Differential

- Austin's shift differential is also in-line with Texas and National cities surveyed

Shift Differential	
Austin	\$300 per month for evening or night shift if working greater than 50% of time in 28 calendar day cycle
Texas Jurisdictions	
Arlington	6% of base pay (1PM and before 5AM) for at least two consecutive pay periods
Corpus Christi	\$50/month (evening) \$75/month (overnight) \$50/month (weekend)
Dallas	3.5% of base pay (at least half of shift is between 6PM and 6AM) 6.5% of base pay (11PM and 8AM and 7AM to 5AM shifts)
El Paso	4% of base pay between hours of 6PM and 6AM
Fort Worth	6% of base pay for hours worked between 6PM and 6AM
Houston	\$69.23 bi-weekly for a regular work schedule between 12AM and 7AM \$69.23 bi-weekly for regular weekend shift or \$34.62 bi-weekly for one regular weekend shift
San Antonio	\$350 per month for officers permanently assigned to shifts beginning after 12PM
National Jurisdictions	
Denver, CO	None
Phoenix, AZ	\$0.60 per hour for night shifts or portion thereof between 10PM - 6AM \$0.25 per hour for weekend shift between 2PM Friday thru 11:59PM Sunday
Portland, OR	2% for all hours worked in the Afternoon Shift between 12PM-6:59PM 4% for all hours worked in the Night Shift between 7PM-2:59AM
San Jose, CA	None



On-Call and Field Training Officer (FTO) Pay

- Austin provides 8 hours of compensation for on-call pay; only 4 of 8 Texas cities surveyed provide on-call pay
- Austin's Field Training Officer (FTO) pay is in-line with other Texas cities surveyed

On-Call Pay		Field Training Officer Pay
Austin	8 hours compensation per week	\$2,100/year
Texas Jurisdictions		
Arlington	No Response	5%
Corpus Christi	\$1 per hour	\$2,400/year
Dallas	None	\$1,200/year
El Paso	Compensated at the overtime rate for all hours actually spent on stand-by status	4%
Fort Worth	None	10%
Houston	None	\$3,102/year
San Antonio	\$157 per month for officer assigned to a unit with active standby assignment;	\$3,180/year
National Jurisdictions		
Denver, CO	1% of regular rate of pay for each hour or part thereof	None
Phoenix, AZ	When required to be available for emergency on-call, paid \$40 per day for a work day; \$60 per day for a scheduled day off	5%
Portland, OR	10% of day's base pay (based on top step in classification)	10%
San Jose, CA	2 hours compensation for standby duty performed on a regularly assigned workday; 3 hours compensation on regularly scheduled days off	One step increase above base salary per bi-weekly pay period



Court Time

- Austin offers a guaranteed minimum of 4 hours compensation at time and a half (1.5 X) if an officer must appear in court on a regularly scheduled day off, which is tied with Fort Worth for the highest guaranteed minimum among Texas cities surveyed

Guaranteed Minimum		Rate of Pay
Austin	4 hours	1.5 X
Texas Jurisdictions		
Arlington	No Response	No Response
Corpus Christi	3 hours	1.5 X
Dallas	2 hours	1.5 X
El Paso	3 hours	1.5 X
Fort Worth	4 hours	1.5 X
Houston	No minimum	1.5 X
San Antonio	3 hours	1.5 X
National Jurisdictions		
Denver, CO	2 hours	1.5 X
Phoenix, AZ	3 hours	1.5 X
Portland, OR	5 hours	1.5 X
San Jose, CA	3 hours	"appropriate rate"



Clothing Allowance & Bilingual Pay

- Austin's clothing allowance is \$500, above the Texas survey median of \$325 (excluding Austin)
- Austin's bilingual premium pay of \$175/month represents the highest level in the Texas city survey group

Clothing Allowance		Bilingual Pay
Austin	\$500/year	\$175/month
Texas Jurisdictions		
Arlington	\$300/year	\$50/month
Corpus Christi	\$720/year	None
Dallas	None	\$110 or \$150/month depending on proficiency
El Paso	None	None
Fort Worth	\$325/year	\$100/month spoken, \$125/month written
Houston	\$2,000/year	\$150/month
San Antonio	\$1,840/year	\$50/month
National Jurisdictions		
Denver, CO	\$700/year	\$100/month proficient levels; \$200/month advanced levels
Phoenix, AZ	\$1,150/year	\$10/hour
Portland, OR	\$90/year	None
San Jose, CA	\$675/year	2.5% of the top step police officer pay per pay period



Additional Assignment Pays

- Assignment pays may vary materially across jurisdictions. The table below summarizes five assignment pays – patrol duty/patrol incentive, physical fitness, bomb squad, motorcycle, and K-9 - which are not offered in Austin

	Patrol Duty Pay	Fitness Incentive Pay	Bomb Squad	Motorcycle Assignment	K-9 Unit
Austin	None	None	None	None	None
Texas Jurisdictions					
Arlington	None	None	None	None	None
Corpus Christi	\$504/year	None	\$75/month	None	\$170/month and 1 hour OT pay on days off and during leave
Dallas	6 YOS \$1,200/year 8 YOS \$1,500/year 10 YOS \$1,800/year	None	None	None	None
El Paso	None	None	None	\$217/month	None
Fort Worth	None	\$1,000 (fitness requirements considered mandatory)	None	None	4 hrs of overtime pay plus shift differential of 6% of base salary
Houston	4 YOS \$600/year 6 YOS \$1,200/year 8 YOS \$1,800/year	Additional 40 hours of personal days (pre-3/30/2011 hires eligible for \$800 payment)	\$150/month	\$150/month	\$150/month
San Antonio	None	16-40 administrative leave hours per year	\$157/month	None	\$157/month + 3 hours overtime per workweek
National Jurisdictions					
Denver, CO	None	None	\$150/month	\$75/month	8 hours of compensatory time and 8 hours additional pay per work period
Phoenix, AZ	None	None	\$320 is added to the annual equipment allowance	\$320 is added to the annual equipment allowance	\$320 is added to the annual equipment allowance
Portland, OR	None	None	6% of base salary	6% base salary	6% of base salary + ½ hour at 1.5x pay for each work day and day of annual leave
San Jose, CA	None	None	One step increase above base salary per bi-weekly pay period	One step increase above base salary per bi-weekly pay period	One step increase above base salary per bi-weekly pay period



Compensation Trends



Police Wage Trends – Texas Cities

- Austin across-the-board wage increases since FY 2014 have been in-line with the Texas City comparison group

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Austin	1.50%	1.00%	1.00%	2.00%	TBD			
Arlington [1]	No Response	No Response	No Response	4.60% to 5.20%	TBD			
Corpus Christi	0.00%	0.00%	0.00%	0.00%	2.00%	2.00%	TBD	
Dallas [2]	0.00%	0.00%	0.00%	5.00% through Step 10; 2.00% Step 11	5.00% through Step 9; 2% Steps 10 & 11	5.00% through Step 9; 2% Steps 10 & 11	TBD	
El Paso [3]	0.70% to 2.84%	1.25%	0.00%	2.47% (officers)	2.00% (officers)	TBD		
Fort Worth	1.00%	2.00%	1.00% + 2.00%	2.20%	2.00%	3.10%	3.10%	TBD
Houston [4]	3.00%	4.00%	4.03% - 9.95% (officers)	4.52% - 10.56% (officers)	3.48%	TBD		
San Antonio	3.00%	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	2.00% + 3.00%

[1] Arlington, TX: FY 2017 increases vary depending on rank;

[2] Dallas: COLAs in FY 2017, FY 2018, and FY 2019 vary by step. Pay schedule for police officer, sergeant, and lieutenant have 11 steps (Senior Corporal has 12 steps)

[3] El Paso: Table summarizes wage increases for police officer, advance police officer and senior police officer. Sergeants wage increases ranged from 0.00% - 0.85% FY 2017, and 0.00% - 2.48% FY 2018. Lieutenants wage increases ranged from 0.00% - 0.81% for FY 2017 and 0.00 - 2.31% FY 2018. Commander wage increases ranged from 0.00% - 1.80% FY 2016 and 0.00 - 1.28% FY 2017 and 0.00% - 4.00% FY 2018

[4] Houston: Table summarizes range of wage increases for police officer and senior police officers only. Sergeants increases ranged from 1.27% - 4.07% FY 2016 and 2.83% - 4.17% FY 2017. Lieutenants increases ranged 1.84% - 3.30% FY 2016 and 2.11% - 3.73% FY 2017. Captains increases ranged from 3.30% - 3.60% FY 2016 and 3.72% - 4.05% FY 2017



Texas Benefit Cost Containment Trends

- Multiple Texas jurisdictions are confronting severe health and retirement cost pressures, and have implemented and/or are in the process of advancing benefits-related cost containment measures that directly affect public safety total compensation
- In the fall of 2016, for example, the City of **San Antonio** and its police officers association reached an agreement requiring employee contributions to healthcare premiums for the first time. Bargaining unit members in the City's "Value" plan must contribute between \$50.00 and \$125.00/month for dependent coverage in 2017, with employee contributions rising to between \$73.81 and \$182.72 in 2021. San Antonio's agreement with its firefighter's association expired 9/30/2014 – a successor agreement has yet to be negotiated
- Further, as outlined on the following slides, multiple large Texas cities are facing burgeoning pension funding pressures



Pension Reform – Houston

- The City of **Houston** recently adopted significant changes to its defined benefit plans:
 - Increasing employee pension contributions for fire (9.0% to 10.5%) and police (9.6% to 10.25% of pay)
 - Delaying post-retirement Cost-of-Living Adjustments (COLA's) until three years following separation, then linking police and fire post-retirement COLA's to Social Security COLA's
 - Establishing a "cost corridor" where employee benefits may be further reduced or employee contributions raised if investment returns trail established benchmarks
 - Hiring future employees into a defined-contribution cash-balance plan if future funding ratios fall below pre-determined targets
- The Governor signed a bill into law, which is currently facing a legal challenge from the firefighter's association



Pension Reform – Dallas

- The City of **Dallas** also recently implemented substantial public safety pension reform:
 - Increased employee pension contributions from 8.5% to 13.5%
 - Raised normal retirement age and early retirement ages
 - Extended the average final salary period from 36 to 60 months for service after 9/1/2017
 - Reductions to post-retirement COLA benefits
 - Reductions in pension multipliers
 - Freeze of supplemental benefit (greater of 3% of base pay or \$75/month) and elimination of supplemental benefit prospectively
 - Revisions to Deferred Retirement Option Plan (DROP), including reduction in guaranteed rate of return for funds currently in DROP account, and restrictions on the ability of members to receive DROP payments as a lump sum

"Both cities [Houston and Dallas] have acknowledged that the current structure of their respective pension plans is not sustainable and are in various stages of reforming those plans" – S&P Global Ratings (2/9/2017)



Pension Reform – Fort Worth

- The City of **Fort Worth** is subject to the Funding Soundness Restoration Plan (FSRP), a legislative reporting requirement which takes effect if a system's amortization period exceeds 40 years over several actuarial valuations
 - As part of the FSRP, Fort Worth must formulate and submit a funding soundness restoration plan to the Texas Pension Review Board
 - The year-over-year Unfunded Actuarial Liability (UAL) for the City's Employees' Retirement Fund increased from \$1.4 billion to \$1.6 billion in 2016, while the funded ratio decreased from 60.6% to 58.5%
 - Absent improvement in investment performance, benefit modification and/or contribution increases will be required to restore financial stability to the system



City of Austin, Texas

Firefighter Compensation Analysis

July 6, 2017

PFM Group Consulting
LLC

1735 Market Street
43rd Floor
Philadelphia, PA 19103

215.567.6100
pfm.com



Overview

- City of Austin firefighter compensation is highly competitive with other large departments in Texas and around the nation
- Based on a survey of the eight largest cities by population in Texas (including Austin), Austin ranks first at multiple career junctures for firefighters, as well as at the pay range maximum for lead and supervisory ranks
- Based on a survey of four similarly sized, fast-growing cities from across the nation, Austin pay levels for firefighters and supervisory positions are competitive with fire suppression classifications in these jurisdictions
- Pay premiums available to Austin firefighters are also competitive with the Texas and national cities surveyed
- Austin wage increases since FY 2015 have been in-line with both comparison groups



Methodology

- To evaluate relative compensation, PFM surveyed contacts at each jurisdiction, and collected and reviewed key documents (e.g., pay plans, collective bargaining agreements, civil service manuals, etc.)
- After collection of these data, PFM asked detailed follow-up questions to clarify compensation practices
- All compensation comparisons in the slides that follow are effective 9/30/2017 – the final day of the Austin Firefighters Association Collective Bargaining Agreement – unless noted otherwise
- Cash compensation figures include base pay and longevity (where applicable) only. Additional pay premiums are presented separately
- Similarly, compensation figures do not include scheduled overtime that may be built into a shift schedule or general overtime. Shift schedules are presented separately
- Several jurisdictions have fiscal years that do not end on September 30th, accordingly, compensation trends across contract periods may not precisely align with Austin



Firefighter Compensation



Survey Context – Texas Cities

Community Demographics

- To evaluate the competitiveness of Austin firefighter compensation, PFM surveyed the eight largest cities in Texas by population (including Austin)
- Among jurisdictions surveyed, Austin ranks first in income levels and home values, while maintaining the second fastest population growth rate since 2000

	Total Population (2015)	Total Population (2000)	Population Change (2000-2015)	Median Family Income (2015)	Per Capita Income (2015)	Median Home Value (2015)
Austin	931,840	656,562	41.9%	\$76,629	\$36,949	\$282,700
Arlington	388,122	332,969	16.6%	\$61,153	\$25,417	\$144,900
Corpus Christi	324,082	277,454	16.8%	\$61,675	\$25,778	\$124,300
Dallas	1,300,082	1,188,580	9.4%	\$49,088	\$30,569	\$152,400
El Paso	681,136	563,662	20.8%	\$50,477	\$20,376	\$118,500
Fort Worth	836,969	534,694	56.5%	\$64,786	\$26,463	\$136,700
Houston	2,298,628	1,953,631	17.7%	\$52,024	\$29,310	\$152,200
San Antonio	1,469,824	1,144,646	28.4%	\$55,713	\$23,748	\$126,600
Median (Excluding Austin)	836,969	563,662	17.7%	\$55,713	\$25,778	\$136,700
Austin Rank	4 of 8	4 of 8	2 of 8	1 of 8	1 of 8	1 of 8

Source: United States Census Bureau, American Community Survey 2015 1-Year Estimates; 2000 Census, General Demographic Characteristics
Above figures include population growth due to annexation, where applicable



Firefighter Shift Schedules

- Fire suppression work schedules vary across the Texas City comparison group, with some – though not all jurisdictions – building overtime into regular work schedules

Fire Suppression Work Schedules		
	Hours Per Week	Base Annual Hours
Austin	53	2,756
Arlington	56	2,912
Corpus Christi	54	2,808
Dallas	54	2,808
El Paso	56	2,912
Fort Worth	56	2,912
Houston	46.7	2,428
San Antonio	56	2,912



Firefighter – Entry (Texas Cities)

- Austin's academy rate trails the survey group median by approx. 8.9%, ranking 6th of 8 jurisdictions
- Following graduation from the academy – i.e., while on probation – Austin's rank improves to 3rd of 8, approximately 8.2% above the survey median
- Following the probationary period, Austin's relative position improves further to 1st of 8 jurisdictions

	Fire Cadet or Trainee	Firefighter Probationary	Firefighter Post-Probationary
Austin	\$34,212	\$51,940	\$56,447
Arlington[1]	\$36,912	\$53,532	\$56,316
Corpus Christi	\$37,560	\$48,000	\$50,124
Dallas	\$46,870	\$46,870	\$49,207
El Paso	\$26,321	\$40,269	\$42,286
Fort Worth	\$39,915	\$51,917	\$54,475
Houston [2]	\$27,920	\$40,170	\$43,528
San Antonio [3]	\$40,700	\$52,164	\$52,164
Median (excluding Austin)	\$37,560	\$48,000	\$50,124
Austin Variance	-8.9%	8.2%	12.6%
Austin Rank	6 of 8	3 of 8	1 of 8

[1] Arlington: Post-academy rate shown as firefighter probationary rate; entry rate shown as post-probationary rate

[2] Houston: Amendment to 2011 – 2014 meet and confer agreement expired 6/30/20017; no successor agreement in place

[3] San Antonio: Meet and confer agreement expired 9/30/2014, no successor agreement in place.



Firefighter – Career Junctures (Texas Cities)

- Austin firefighter base pay ranks 1st or 2nd for each of the career junctures below
- After Year 9, Austin firefighters continue to receive step increases built into the salary schedule, while subsequent step increases in the survey group are comparatively moderate

	Post-Probation	Year 2	Year 3	Year 6	Year 9	Year 12	Year 15	Year 18	Maximum Base Pay	Max Base + Longevity
Austin	\$56,447	\$61,249	\$66,854	\$70,194	\$73,705	\$77,385	\$81,260	\$85,318	\$89,584	\$92,084
Arlington [1]	\$56,316	\$59,133	\$62,094	\$71,908	\$71,908	\$71,908	\$73,700	\$73,700	\$75,543	\$76,743
Corpus Christi	\$50,124	\$52,428	\$55,812	\$55,812	\$57,084	\$57,084	\$57,084	\$57,084	\$57,084	\$58,644
Dallas	\$49,207	\$51,688	\$54,263	\$62,812	\$72,718	\$74,172	\$74,172	\$74,172	\$74,172	\$75,372
El Paso	\$42,286	\$44,397	\$46,623	\$53,968	\$62,474	\$62,474	\$62,474	\$62,474	\$62,474	\$63,974
Fort Worth	\$54,475	\$57,200	\$60,070	\$68,203	\$70,200	\$70,200	\$72,126	\$72,126	\$72,126	\$73,326
Houston [2]	\$43,528	\$45,791	\$48,190	\$51,194	\$52,644	\$55,437	\$57,815	\$61,221	\$61,221	\$62,521
San Antonio [3]	\$52,164	\$57,900	\$57,900	\$59,004	\$59,004	\$60,180	\$61,392	\$61,392	\$61,392	\$72,443
Median (excluding Austin)	\$50,124	\$52,428	\$55,812	\$59,004	\$62,474	\$62,474	\$62,474	\$62,474	\$62,474	\$72,443
Austin Variance	12.6%	16.8%	19.8%	19.0%	18.0%	23.9%	30.1%	36.6%	43.4%	27.1%
Austin Rank	1 of 8	1 of 8	1 of 8	2 of 8	1 of 8	1 of 8	1 of 8	1 of 8	1 of 8	1 of 8

[1] Arlington: City did not answer repeated requests for information; longevity formula represents figures outlined from Section 141.032 of the Texas Local Government Code

[2] Houston: Amendment to 2011 – 2014 meet and confer agreement expired 6/30/20017; no successor agreement in place

[3] San Antonio: Meet and confer agreement expired 9/30/2014, no successor agreement in place; San Antonio has education requirements for movement through pay scale. Assumes firefighter meets educational requirements and moves through the steps at the earliest opportunity



Fire Specialist Base Pay (Texas Cities)

- Austin ranks 1st of 8 jurisdictions at the maximum of the fire specialist pay range

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin	\$66,149	\$96,751	\$99,251
Arlington [1]	\$75,850	\$79,643	\$80,843
Corpus Christi	\$57,084	\$64,488	\$66,048
Dallas	\$48,371	\$81,776	\$82,976
El Paso	\$46,623	\$68,878	\$70,378
Fort Worth	\$69,014	\$78,998	\$80,198
Houston [2]	\$61,310	\$63,166	\$64,466
San Antonio [3]	\$63,480	\$67,296	\$79,409
Median (excluding Austin)	\$61,310	\$68,878	\$79,409
Austin Variance	7.9%	40.5%	25.0%
Austin Rank	3 of 8	1 of 8	1 of 8

[1] Arlington: City did not answer repeated requests for information; longevity formula represents figures outlined from Section 141.032 of the Texas Local Government Code

[2] Houston: Amendment to 2011 – 2014 meet and confer agreement expired 6/30/2017; no successor agreement in place

[3] San Antonio: Meet and confer agreement expired 9/30/2014, no successor agreement in place



Fire Lieutenant Base Pay (Texas Cities)

- Austin ranks 1st of 7 jurisdictions at the maximum of the fire lieutenant pay range

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin	\$77,978	\$104,491	\$106,991
Arlington [1]	\$84,392	\$88,645	\$89,845
Corpus Christi	No Match		
Dallas	\$56,598	\$89,557	\$90,757
El Paso	\$62,474	\$75,938	\$77,438
Fort Worth	\$78,042	\$86,694	\$87,894
Houston [2]	\$64,273	\$70,181	\$71,481
San Antonio [3]	\$72,564	\$74,016	\$87,339
Median (excluding Austin)	\$68,419	\$81,316	\$87,617
Austin Variance	14.0%	28.5%	22.1%
Austin Rank	3 of 7	1 of 7	1 of 7

[1] Arlington: City did not answer repeated requests for information; longevity formula represents figures outlined from Section 141.032 of the Texas Local Government Code

[2] Houston: Amendment to 2011 – 2014 meet and confer agreement expired 6/30/2017; no successor agreement in place

[3] San Antonio: Meet and confer agreement expired 9/30/2014, no successor agreement in place



Fire Captain Base Pay (Texas Cities)

- Austin ranks 1st of 8 jurisdictions at the maximum of the fire captain pay range

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin	\$88,424	\$112,850	\$115,350
Arlington [1]	\$95,435	\$100,207	\$101,407
Corpus Christi	\$64,488	\$74,040	\$75,600
Dallas	\$62,001	\$98,093	\$99,293
El Paso	\$68,878	\$83,722	\$85,222
Fort Worth	\$87,006	\$96,658	\$97,858
Houston [2]	\$71,759	\$78,355	\$79,655
San Antonio [3]	\$82,932	\$84,600	\$99,828
Median (excluding Austin)	\$71,759	\$84,600	\$97,858
Austin Variance	23.2%	33.4%	17.9%
Austin Rank	2 of 8	1 of 8	1 of 8

[1] Arlington: City did not answer repeated requests for information; longevity formula represents figures outlined from Section 141.032 of the Texas Local Government Code

[2] Houston: Amendment to 2011 – 2014 meet and confer agreement expired 6/30/2017; no successor agreement in place

[3] San Antonio: Meet and confer agreement expired 9/30/2014, no successor agreement in place



Fire Battalion Chief (Texas Cities)

- Austin ranks 1st of 8 jurisdictions at the maximum of the fire battalion chief range

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin	\$96,382	\$123,006	\$125,506
Arlington [1]	\$109,226	\$114,686	\$115,886
Corpus Christi	\$74,040	\$88,392	\$89,952
Dallas	\$68,025	\$107,652	\$108,852
El Paso	\$75,938	\$96,922	\$98,422
Fort Worth	\$99,403	\$110,448	\$111,648
Houston [2]	\$82,153	\$89,590	\$90,890
San Antonio [3]	\$94,932	\$96,828	\$114,257
Median (excluding Austin)	\$86,245	\$100,645	\$108,852
Austin Variance	11.8%	22.2%	15.3%
Austin Rank	3 of 8	1 of 8	1 of 8

[1] Arlington: City did not answer repeated requests for information; longevity formula represents figures outlined from Section 141.032 of the Texas Local Government Code

[2] Houston: Amendment to 2011 – 2014 meet and confer agreement expired 6/30/2017; no successor agreement in place

[3] San Antonio: Meet and confer agreement expired 9/30/2014, no successor agreement in place



Fire Division Chief (Texas Cities)

- Austin ranks 2nd of 7 jurisdictions at the maximum of the fire division chief pay range

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin	\$104,093	\$132,847	\$135,347
Arlington	\$86,193	\$129,289	\$130,489
Corpus Christi	\$70,245	\$115,107	\$116,667
Dallas	\$73,464	\$113,452	\$114,652
El Paso	No Match		
Fort Worth	\$118,227	\$137,134	\$138,334
Houston	\$94,724	\$99,480	\$100,780
San Antonio	\$133,315	\$133,315	\$133,315
Median (exclud. Austin)	\$96,028	\$121,296	\$123,578
Austin Variance	8.4%	9.5%	9.5%
Austin Rank	3 of 7	3 of 7	2 of 7

[1] Arlington: City did not answer repeated requests for information; longevity formula represents figures outlined from Section 141.032 of the Texas Local Government Code

[2] Houston: Amendment to 2011 – 2014 meet and confer agreement expired 6/30/2017; no successor agreement in place

[3] San Antonio: Meet and confer agreement expired 9/30/2014, no successor agreement in place



Texas Cities Summary

- Consistent with its relative income levels and housing values, Austin compensation levels rank at the top of the Texas City comparison group

Austin Rank	
Population Change (2000 – 2015)	2 of 8
Median Family Income (2015)	1 of 8
Per Capita Income (2015)	1 of 8
Median Home Value (2015)	1 of 8
Firefighter (Post-Probation)	1 of 8
Fire Specialist (Max Base + Longevity)	1 of 8
Fire Lieutenant (Max Base + Longevity)	1 of 7
Fire Captain (Max Base + Longevity)	1 of 8
Fire Battalion Chief (Max Base + Longevity)	1 of 8
Fire Division Chief (Max Base + Longevity)	2 of 7



Survey Context – National Cities

Community Demographics

- To provide additional perspective on the competitiveness of Austin firefighter compensation, PFM surveyed four large cities with population greater than 500,000, and like Austin, experienced strong population growth in recent years
- Relative to the national jurisdictions surveyed, Austin ranks 3rd, 2nd, and 4th in median family income, per capita income, and median home value, respectively

	Total Population (2015)	Total Population (2010)	Population Change (2000-2015)	Median Family Income (2015)	Per Capita Income (2015)	Median Home Value (2015)
Austin, TX	931,840	656,562	41.9%	\$76,629	\$36,949	\$282,700
Denver, CO	682,545	554,636	23.1%	\$72,455	\$36,792	\$316,700
Phoenix, AZ	1,563,001	1,321,045	18.3%	\$55,175	\$25,222	\$200,800
Portland, OR	632,187	529,121	19.5%	\$78,527	\$34,345	\$348,300
San Jose, CA	1,026,919	894,943	14.7%	\$101,150	\$38,466	\$717,100
Austin Rank	3 of 5	3 of 5	1 of 5	3 of 5	2 of 5	4 of 5
Multi-City Median (Excluding Austin)	854,732	724,790	18.9%	\$75,491	\$35,569	\$332,500

Source: United States Census Bureau, American Community Survey 2015 1-Year Estimates; 2000 Census, General Demographic Characteristics



Firefighter Shift Schedules (National Cities)

- Fire suppression work schedules also vary across the national city comparison group, with some – though not all jurisdictions – building overtime into regular work schedules

Fire Suppression Work Schedule		
	Hours Per Week	Base Annual Hours
Austin, TX	53	2,756
Denver, CO	48	2,496
Phoenix, AZ	56	2,912
Portland, OR	51.92	2,700
San Jose, CA	56	2,912



Firefighter – Entry (National Cities)

- Austin's probationary and post-probationary rates are within 6% of the survey group median

	Fire Cadet or Trainee	Firefighter Probationary	Firefighter Post-Probationary
Austin	\$34,212	\$51,940	\$56,447
Denver	\$49,769	\$53,641	\$59,418
Phoenix	\$46,821	\$47,343	\$48,526
Portland, OR [1]	\$28,517	\$44,455	\$60,433
San Jose	\$72,048	\$75,689	\$79,440
Median (excluding Austin)	\$48,295	\$50,492	\$59,926
Austin Variance	-29.2%	2.9%	-5.8%
Austin Rank	4 of 5	3 of 5	4 of 5

[1] Portland: Contract expired June 30, 2016; No successor agreement in place



Firefighter Base Pay – Career Junctures (National Cities)

- At the pay range maximum, Austin ranks 2nd among the national cities surveyed
- While Austin trails the national cities surveyed earlier in a career, after Year 12, Austin firefighter pay continues to rise while pay among the comparison group levels

	Post- Probation	Year 2	Year 3	Year 6	Year 9	Year 12	Year 15	Year 18	Maximum Base Pay	Max Base + Longevity
Austin, TX	\$56,447	\$61,249	\$66,854	\$70,194	\$73,705	\$77,385	\$81,260	\$85,318	\$89,584	\$92,084
Denver, CO [1]	\$59,418	\$59,418	\$66,020	\$82,525	\$82,525	\$82,525	\$82,525	\$82,525	\$82,525	\$86,845
Phoenix, AZ	\$48,526	\$50,686	\$52,256	\$60,619	\$66,991	\$66,991	\$66,991	\$66,991	\$66,991	\$70,991
Portland, OR [2]	\$60,433	\$65,181	\$70,610	\$80,312	\$80,312	\$80,312	\$80,312	\$80,312	\$80,312	\$85,131
San Jose, CA	\$79,440	\$79,440	\$83,434	\$96,542	\$101,463	\$101,463	\$101,463	\$101,463	\$101,463	\$101,463
Median (excluding Austin)	\$59,926	\$62,300	\$68,315	\$81,419	\$81,419	\$81,419	\$81,419	\$81,419	\$81,419	\$85,988
Austin Variance	-5.8%	-1.7%	-2.1%	-13.8%	-9.5%	-5.0%	-0.2%	4.8%	10.0%	7.1%
Austin Rank	4 of 5	3 of 5	3 of 5	4 of 5	4 of 5	4 of 5	3 of 5	2 of 5	2 of 5	2 of 5

[1] Denver: Longevity capped at 30 YOS; presuming a 30-Year career

[2] Portland: Contract expired June 30, 2016; No successor agreement in place



Fire Specialist Base Pay (National Cities)

- For Fire Specialist base pay, Austin compensation exceeds the survey group median at the pay range maximum

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$66,149	\$96,751	\$99,251
Denver, CO [1]	\$91,603	\$91,603	\$95,923
Phoenix, AZ	\$66,688	\$73,499	\$77,499
Portland, OR [2]	\$47,123	\$85,131	\$90,239
San Jose, CA	\$92,923	\$112,938	\$112,938
Median (excluding Austin)	\$79,146	\$88,367	\$93,081
Austin Variance	-16.4%	9.5%	6.6%
Austin Rank	4 of 5	2 of 5	2 of 5

[1] Denver: Longevity capped at 30 YOS; presuming a 30-Year career

[2] Portland: Contract expired June 30, 2016; No successor agreement in place



Fire Lieutenant Base Pay (National Cities)

- For Fire Lieutenant base pay, Austin compensation exceeds the survey group median at the pay range maximum

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$77,978	\$104,491	\$106,991
Denver, CO [1]	\$97,380	\$97,380	\$101,700
Phoenix, AZ	\$73,848	\$81,102	\$85,102
Portland, OR [2]	\$81,842	\$92,341	\$97,881
San Jose, CA	<i>No Match</i>		
Median (exclud. Austin)	\$81,842	\$92,341	\$97,881
Austin Variance	-4.7%	13.2%	9.3%
Austin Rank	3 of 4	1 of 4	1 of 4

[1] Denver: Longevity capped at 30 YOS; presuming a 30-Year career

[2] Portland: Contract expired June 30, 2016; No successor agreement in place



Fire Captain Base Pay (National Cities)

- For Fire Captain base pay, Austin compensation is in-line with the survey group median at the pay range maximum

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$88,424	\$112,850	\$115,350
Denver, CO [1]	\$111,500	\$111,500	\$115,820
Phoenix, AZ	\$73,848	\$81,102	\$85,102
Portland, OR [2]	\$93,969	\$106,117	\$112,484
San Jose, CA	\$106,958	\$129,995	\$129,995
Median (exclud. Austin)	\$100,464	\$108,809	\$114,152
Austin Variance	-12.0%	3.7%	1.0%
Austin Rank	4 of 5	2 of 5	3 of 5

[1] Denver: Longevity capped at 30 YOS; presuming a 30-Year career

[2] Portland: Contract expired June 30, 2016; No successor agreement in place



Fire Battalion Chief Base Pay (National Cities)

- For Fire Battalion Chief base pay, Austin compensation is in-line with the survey group median at the pay range maximum

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$96,382	\$123,006	\$125,506
Denver, CO [1]	\$117,075	\$117,075	\$121,395
Phoenix, AZ	\$71,545	\$114,472	\$118,472
Portland, OR [2]	\$116,717	\$122,029	\$129,351
San Jose, CA	\$133,857	\$162,742	\$162,742
Median (exclud. Austin)	\$116,896	\$119,552	\$125,373
Austin Variance	-17.5%	2.9%	0.1%
Austin Rank	4 of 5	2 of 5	3 of 5

[1] Denver: Longevity capped at 30 YOS; presuming a 30-Year career

[2] Portland: Contract expired June 30, 2016; No successor agreement in place



Fire Division Chief Base Pay (National Cities)

- For Fire Division Chief base pay, Austin compensation trails the national city comparison group

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$104,093	\$132,847	\$135,347
Denver, CO [1]	\$128,224	\$128,224	\$136,144
Phoenix, AZ	\$75,135	\$120,222	\$124,222
Portland, OR [2]	\$116,660	\$155,164	\$164,474
San Jose, CA	\$113,504	\$171,482	\$171,482
Median (exclud. Austin)	\$115,082	\$141,694	\$150,309
Austin Variance	-9.5%	-6.2%	-10.0%
Austin Rank	4 of 5	3 of 5	4 of 5

[1] Denver: Longevity capped at 30 YOS; presuming a 30-Year career

[2] Portland: effective June 30, 2017



National Cities Summary

- Consistent with its relative economic position, Austin compensation levels generally rank above the midpoint, but not at the top, of the national survey group

Austin Rank	
Population Change (2000 – 2015)	1 of 5
Median Family Income (2015)	3 of 5
Per Capita Income (2015)	2 of 5
Median Home Value (2015)	4 of 5
Firefighter (Post-Probation)	2 of 5
Fire Specialist (Max Base + Longevity)	2 of 5
Fire Lieutenant (Max Base + Longevity)	1 of 4
Fire Captain (Max Base + Longevity)	3 of 5
Fire Battalion Chief (Max Base + Longevity)	3 of 5
Fire Division Chief (Max Base + Longevity)	4 of 5



Pay Premiums



Fire Suppression Pay Premiums

- The City of Austin offers an array of longevity, education, certification, and assignment pay premiums that further increase firefighter compensation
- While pay premium practices vary considerably across each of the comparison groups, Austin's pay premiums – in the number of premiums offered and the level of cash compensation provided – are very competitive with Texas and National Cities surveyed



Longevity

- Austin's longevity pay formula is very competitive with the Texas cities surveyed

Longevity Formula	
Austin	\$100 x YOS (max of 25 YOS)
Texas Jurisdictions	
Arlington*	\$48 x YOS (max of 25 YOS)
Corpus Christi	\$72 x first 15 YOS; \$48 for 16 to 25 YOS (max of 25 YOS)
Dallas	\$48 x YOS (max of 25 YOS)
El Paso	\$60 x YOS (max of 25 YOS)
Fort Worth	\$48 x YOS (max of 25 YOS)
Houston	\$52 x YOS (max of 25 YOS)
San Antonio	3% of base pay for each 5 YOS (max 18% at 30 YOS) In years when not a multiple of five, fire suppression personnel receive additional \$96 longevity pay per YOS
National Jurisdictions	
Denver, CO	\$144 x YOS
Phoenix, AZ	\$160 x YOS in excess of 5 YOS (Max of 30 YOS)
Portland, OR	2% top step Firefighter base after 15 YOS; 4% top step Firefighter base after 20 YOS; 6% top step Firefighter base after 25 YOS
San Jose, CA	None

* - Arlington: City did not answer repeated requests for information; longevity formula represents figures outlined from Section 141.032 of the Texas Local Government Code



Education and Certification Pay – Texas Cities

- Austin's education and certification pay premiums are in-line with other Texas cities surveyed

	Educational Premium Pay		Certification Premium Pay		Pay for Both?
Austin	60 College Credit hours: Associates Degree: Bachelors Degree: Masters Degree:	\$600 \$600 \$1,200 \$1,200	Basic: Intermediate: Advanced: Master:	\$0 \$600 \$1,200 \$1,800	No
Arlington	Associate's Degree: Bachelor's Degree:	\$600 \$1,320	None		N/A
Corpus Christi	Max w/out Associate's: Associates Degree: Bachelors Degree: Masters Degree:	\$852 \$852 \$1,620 \$2,052	Basic: Intermediate: Advanced: Master:	\$0 \$240 \$300 \$360	Yes
Dallas	45 College Credit hours: Max w/out Bachelors: Bachelors Degree:	\$144 \$2,880 \$3,600	Basic: Intermediate: Advanced: Master:	\$0 \$2,100 \$3,000 \$6,000	Yes
El Paso	Associates Degree: Bachelors Degree: Masters Degree:	\$480 \$960 \$1,200	Basic: Intermediate: Advanced: Master:	\$0 \$768 \$1,128 \$1,488	No
Fort Worth	Associates Degree: Bachelors Degree:	\$720 \$1,440	Basic: Intermediate: Advanced: Master:	\$0 \$360 \$720 \$1,440	No
Houston*	None		Level One Level Two Level Three	\$560 \$1,920 \$2,394	N/A
San Antonio	Associates Degree: Bachelors Degree: Masters Degree:	\$2,220 \$3,480 \$3,720	Basic: Intermediate: Advanced Master:	\$780 \$1,140 \$1,620 \$2,100	Yes

* - Houston: certification pay categorized as "levels" based on years of service and require a basic certification.



Education Pay – National Cities

- Austin's educational pay premiums also compare favorably with the national jurisdictions surveyed

Education Premium Pay		
Austin	60 Hours College Credit: Bachelors Degree:	\$600 \$1,200
Denver, CO	-	
Phoenix, AZ	-	
Portland, OR	-	
San Jose, CA	Associates or Bachelors:	\$910



Special Operations – Hazmat, Search & Rescue, Diver

	HAZMAT	Search & Rescue	Diver/Swiftwater Rescue
Austin	\$150 per month	\$150 per month	-
Texas Jurisdictions			
Arlington	\$100 per month	\$100 per month	\$100 per month
Corpus Christi	\$50 per month	\$50 per month	-
Dallas	\$150 per month (Lieutenant and below) \$350 per month (Captain and above)	\$150 per month (Lieutenant and below) \$350 per month (Captain and above)	\$150 per month (Lieutenant and below) \$350 per month (Captain and above)
El Paso	\$50 per month	\$50 per month	\$50 per month
Fort Worth	\$100 per month	-	\$100 per month
Houston	\$150 per month	-	-
San Antonio	\$100 per month	\$50 per month (beginning) \$100 per month (experienced)	-
National Jurisdictions			
Denver, CO	FFs receive tech pay; no additional premiums for supervisory ranks		
Phoenix, AZ	\$268.75 per month	\$268.75 per month	-
Portland, OR	6%	6%	6%
San Jose, CA	5% or 1 Step	5% or 1 Step	-



Bilingual Pay, Uniform Allowance, and Shift Differential

- Austin's bilingual pay premium is the highest in the Texas city comparison group
- Five of eight Texas jurisdictions (including Austin) do not provide a clothing allowance

	Bilingual Pay	Clothing Allowance	Shift Differential
Austin	\$175 per month	-	-
Texas Jurisdictions			
Arlington	\$50 per month	-	-
Corpus Christi	-	\$810 per year	-
Dallas	\$110 or \$150 per month, depending on proficiency	-	-
El Paso	-	-	-
Fort Worth	Verbal: \$100 per month Written: \$125 per month	-	-
Houston	\$150 per month	\$300 per year	-
San Antonio	\$50 per month	\$720 per year	-
National Jurisdictions			
Denver, CO	\$100 per month	\$550 per year	-
Phoenix, AZ*	\$75 per month	\$129.75 per year	-
Portland, OR	No Response	-	-
San Jose, CA	2.5% top step firefighter	\$495 per year	-



Assignment Pays – Fire Inspector and Administrative Pay

Fire Inspector		Administrative Pay
Austin	Performed by Lieutenants	\$300 per month
Texas Jurisdictions		
Arlington	5%	5%
Corpus Christi	\$35 or \$75 per month, depending on certification	\$150 per month (0-3 years) \$200 per month (4-5 years) \$225 per month (6+ years)
Dallas	\$175 per month	-
El Paso	-	-
Fort Worth	\$175 per month	-
Houston	-	Highest certification or assignment pay if mandatory administrative assignment
San Antonio	\$50 per month	\$450 per month
National Jurisdictions		
Denver, CO	-	-
Phoenix, AZ	-	10%
Portland, OR	separate classification	-
San Jose, CA	separate classification	\$78 per month



Compensation Trends



Fire Wage Trends – Texas Cities

- Austin across-the-board wage increases since FY 2014 have been in-line with the Texas City comparison group

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY 2021
Austin	1.00%	2.50%	2.00%	TBD			
Arlington	No Response	No Response	No Response	TBD			
Corpus Christi	0.00%	0.00%	1.00%	3.00%	3.00%	4.00%	TBD
Dallas [1]	0.00%	0.00%	5.00% through Step 10; 2.00% Step 11	5.00% through Step 9; 2% Steps 10 & 11	5.00% through Step 9; 2% Steps 10 & 11	TBD	
El Paso	0.00%	3.00%	3.00%	3.00%	TBD		
Fort Worth	0.00%	2.20%	2.20%	3.00%	TBD		
Houston [2]	0.00%	0.00%	0.00%	TBD			
San Antonio [3]	TBD						

[1] Dallas: COLAs in FY2017, FY2018, and FY2019 vary by step. Pay schedule for firefighter, fire lieutenant, fire captain and fire battalion have 11 steps (fire driver – engineer has 12 steps).

[2] Houston collective bargaining agreement was in effect until 6/30/2014 and was extended to 6/30/2017

[3] San Antonio collective bargaining agreement expired on 9/30/2014, no successor agreement in place



Texas Benefit Cost Containment Trends

- Multiple Texas jurisdictions are confronting severe health and retirement cost pressures, and have implemented and/or are in the process of advancing benefits-related cost containment measures that directly affect public safety total compensation
- In the fall of 2016, for example, the City of **San Antonio** and its police officers association reached an agreement requiring employee contributions to healthcare premiums for the first time. Bargaining unit members in the City's "Value" plan must contribute between \$50.00 and \$125.00/month for dependent coverage in 2017, with employee contributions rising to between \$73.81 and \$182.72 in 2021. San Antonio's agreement with its firefighter's association expired 9/30/2014 – a successor agreement has yet to be negotiated
- Further, as outlined on the following slides, multiple large Texas cities are facing burgeoning pension funding pressures



Pension Reform – Houston

- The City of **Houston** recently adopted significant changes to its defined benefit plans:
 - Increasing employee pension contributions for fire (9.0% to 10.5%) and police (9.6% to 10.25% of pay)
 - Delaying post-retirement Cost-of-Living Adjustments (COLA's) until three years following separation, then linking police and fire post-retirement COLA's to Social Security COLA's
 - Establishing a "cost corridor" where employee benefits may be further reduced or employee contributions raised if investment returns trail established benchmarks
 - Hiring future employees into a defined-contribution cash-balance plan if future funding ratios fall below pre-determined targets



Pension Reform – Dallas

- The City of **Dallas** also recently implemented substantial public safety pension reform:
 - Increased employee pension contributions from 8.5% to 13.5%
 - Raised normal retirement age and early retirement ages
 - Extended the average final salary period from 36 to 60 months for service after 9/1/2017
 - Reductions to post-retirement COLA benefits
 - Reductions in pension multipliers
 - Froze supplemental benefit (greater of 3% of base pay or \$75/month) and elimination of supplemental benefit prospectively
 - Revisions to Deferred Retirement Option Plan (DROP), including reduction in guaranteed rate of return for funds currently in DROP account, and restrictions on the ability of members to receive DROP payments as a lump sum

"Both cities [Houston and Dallas] have acknowledged that the current structure of their respective pension plans is not sustainable and are in various stages of reforming those plans" – S&P Global Ratings (2/9/2017)



Pension Reform – Fort Worth

- The City of **Fort Worth** is subject to the Funding Soundness Restoration Plan (FSRP), a legislative reporting requirement which takes effect if a system's amortization period exceeds 40 years over several actuarial valuations
 - As part of the FRSP, Fort Worth must formulate and submit a funding soundness restoration plan to the Texas Pension Review Board
 - The year-over-year Unfunded Actuarial Liability (UAL) for the City's Employees' Retirement Fund increased from \$1.4 billion to \$1.6 billion in 2016, while the funded ratio decreased from 60.6% to 58.5%
 - Absent improvement in investment performance, benefit modification and/or contribution increases will be required to restore financial stability to the system



City of Austin, Texas EMS Compensation Analysis

July 6, 2017

PFM Group Consulting
LLC

1735 Market Street
43rd Floor
Philadelphia, PA 19103

215.567.6100
pfm.com



Overview

- ◆ City of Austin EMS compensation is highly competitive with other large, third-service EMS providers in Texas, and around the nation
- ◆ Based on a survey of nine third-service EMS providers in jurisdictions with populations greater than 300,000 residents, Austin consistently ranks near the top at multiple career junctions for paramedic (i.e., Medic II Field) as well as at the pay range maximums for EMT (i.e., Medic I Field) and multiple supervisory positions
- ◆ Pay premiums available to Austin EMS personnel are also very competitive with the EMS providers surveyed



Methodology

- ◆ To evaluate relative compensation, PFM surveyed contacts at each EMS provider, and collected and reviewed key documents (e.g., pay plans, collective bargaining agreements, civil service manuals, etc.)
- ◆ After collection of these data, PFM asked detailed follow-up questions to clarify job matches and compensation practices
- ◆ All compensation comparisons in the slides that follow are effective 9/30/2017 – the final day of the Austin-Travis County EMS Employees' Association Meet and Confer Agreement – unless noted otherwise
- ◆ Cash compensation figures include base pay and longevity (where applicable) only. Additional pay premiums are presented separately
- ◆ Similarly, compensation figures do not include scheduled overtime that may be built into a shift schedule or general overtime. Shift schedules are presented separately
- ◆ Across the comparison groups, EMS systems have different operational configurations. Some providers, for example, only hire EMT-Ps, while others may rely heavily on EMT-Bs. Similarly, job duties for supervisory ranks may not align precisely
- ◆ Several jurisdictions have fiscal years that do not end on September 30th, accordingly, compensation trends across contract periods may not precisely align with Austin



EMS Compensation



Survey Context

- ◆ To evaluate the competitiveness of Austin/Travis County EMS compensation, PFM surveyed nine “third-service” EMS providers (i.e., EMS services are not based within a Fire/Rescue Department) in communities with populations larger than 300,000 residents
- ◆ Three EMS providers surveyed are located within the State of Texas (Fort Worth MedStar, Montgomery County Hospital District, and Williamson County), with the balance of providers surveyed located in Louisiana, and other regions of the United States. PFM also contacted Arlington, TX (AMR), but AMR declined to provide data
- ◆ As summarized in the table below, the EMS providers surveyed represent a mix of stand-alone departments, divisions housed in health departments/districts, and providers operated by regional hospital systems

Stand-Alone Department	Health Department/District	Hospital System
Austin, TX	Boston, MA (Public Health Commission)	Denver, CO (Denver Health Medical Center)
Baton Rouge, LA	New Orleans, LA	Fort Worth, TX (MedStar Mobile Healthcare)
Pittsburgh, PA	Montgomery County, TX (Montgomery County Hospital District)	
Wake County, NC		
Williamson County, TX		



Survey Context

Community Demographics

- ◆ All jurisdictions surveyed have a population size greater than 300,000 residents
- ◆ Austin ranks above the median, but not at the top of the comparison group, for measures of community income and wealth – 4th of 10 for median family income, 2nd of 10 for per capita income, and 3rd of 10 for median home value

	Total Population (2015)	Total Population (2000)	Population Change (2000-2015)	Median Family Income (2015)	Per Capita Income (2015)	Median Home Value (2015)
Austin, TX	931,840	656,562	41.9%	\$76,629	\$36,949	\$282,700
Baton Rouge, LA	228,596	227,818	0.3%	\$50,928	\$25,024	\$172,600
Boston, MA	669,469	589,141	13.6%	\$65,083	\$37,842	\$453,000
Denver, CO	682,545	554,636	23.1%	\$72,455	\$36,792	\$316,700
Fort Worth, TX	836,969	534,694	56.5%	\$64,786	\$26,463	\$136,700
Montgomery County, TX	537,559	293,768	83.0%	\$84,432	\$36,602	\$201,300
New Orleans, LA	389,617	484,674	-19.6%	\$55,450	\$28,669	\$216,800
Pittsburgh, PA	304,385	334,563	-9.0%	\$58,677	\$29,876	\$108,400
Wake County, NC	1,024,198	627,846	63.1%	\$85,729	\$35,357	\$252,500
Williamson County, TX	508,514	249,967	103.4%	\$89,781	\$33,147	\$227,000
Austin Rank	2 of 10	1 of 10	5 of 10	4 of 10	2 of 10	3 of 10
Median (Excluding Austin)	537,559	484,674	23.1%	\$65,083	\$33,147	\$216,800

Source: United States Census Bureau, American Community Survey 2015 1-Year Estimates; 2000 Census, General Demographic Characteristics
Above figures include population growth due to annexation, where applicable



Shift Schedules

- ◆ Non-exempt EMS personnel in Austin, Baton Rouge, Fort Worth, Montgomery County, New Orleans, Wake County, and Williamson County work shift schedules that provide additional built-in overtime

	Hours Per Week	Base Annual Hours
Austin, TX	42 48	2184 2496
Baton Rouge, LA	42	2184
Boston, MA	40	2080
Denver, CO (Denver Health)	40	2080
Fort Worth, TX (MedStar)	42	2184
Montgomery County, TX	42 56	2184 2912
New Orleans, LA	44	2288
Pittsburgh, PA	40	2080
Wake County, NC	42 (majority of employees) 56	2184 2912
Williamson County, TX	56 (Regular, Alternative Float) 42 (Demand Truck & Community Health Paramedic)	2912 2184



EMS Medic I Field – Base Pay

- For Medic I Field, which requires an EMT-B certification but not an EMT-P, Austin ranks 1st of 7 jurisdictions at maximum, more than 40% above the survey group median

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$39,861	\$70,587	\$72,087
Baton Rouge, LA	\$29,219	\$49,744	\$49,744
Boston, MA [1]	\$56,273	\$68,465	\$69,865
Denver, CO (Denver Health)	No Response		
Fort Worth, TX (MedStar)	\$31,918	\$43,888	\$43,888
Montgomery County, TX	No Match		
New Orleans, LA [2]	\$33,524	\$48,664	\$55,963
Pittsburgh, PA	\$31,824	\$31,824	\$31,824
Wake County, NC	\$30,011	\$50,398	\$50,398
Williamson County, TX	No Match		
Median (excluding Austin)	\$31,824	\$48,664	\$50,398
Austin Variance	25.3%	45.0%	43.0%
Austin Rank	2 of 7	1 of 7	1 of 7

[1] Boston: Includes 3.75% hazardous duty pay; CBA expired 6/30/2017; no successor agreement in place

[2] New Orleans: Pay schedule reaches maximum of \$55,102 after 40 years of service. Maximums in table assume 30-year career with 1.25% annual steps



EMS Medic II Field – Base Pay

- For Medic II Field, which requires an EMT-P certification, Austin ranks 2nd of 10 jurisdictions at maximum, more than 32% above the survey group median

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$46,650	\$82,568	\$84,068
Baton Rouge, LA	\$43,232	\$63,488	\$63,488
Boston, MA [1]	\$74,050	\$90,095	\$91,495
Denver, CO (Denver Health)	\$46,966	\$70,450	\$70,450
Fort Worth, TX (MedStar)	\$43,496	\$63,518	\$63,158
Montgomery County, TX	\$48,500	\$72,540	\$72,540
New Orleans, LA [2]	\$44,061	\$63,960	\$73,553
Pittsburgh, PA	\$38,022	\$56,160	\$56,160
Wake County, NC	\$36,329	\$61,006	\$61,006
Williamson County, TX	\$34,791	\$50,402	\$53,522
Median (excluding Austin)	\$43,496	\$63,518	\$63,488
Austin Variance	7.3%	30.0%	32.4%
Austin Rank	4 of 10	2 of 10	2 of 10

[1] Boston: Includes 3.75% hazardous duty pay; CBA expired 6/30/2017; no successor agreement in place

[2] New Orleans: Pay schedule reaches maximum of \$72,420 after 40 years of service. Maximums in table assume 30-year career with 1.25% annual steps



EMS Medic II Field Base Pay – Career Junctures

- ◆ Austin paramedic pay ranks above the survey group median at each of the career junctures listed below, between 7.2% and 38.0% above the survey group median

	Base	Year 1	Year 3	Year 5	Year 7	Year 8	Year 11	Year 14	Year 17	Year 20	Max Base	Max Base + Longevity
Austin, TX	\$46,650	\$48,972	\$51,418	\$55,012	\$58,881	\$62,999	\$67,417	\$72,134	\$77,176	\$82,568	\$82,568	\$84,068
Baton Rouge, LA	\$43,232	\$44,529	\$47,240	\$50,118	\$53,170	\$54,765	\$59,843	\$63,488	\$63,488	\$63,488	\$63,488	\$63,488
Boston, MA [1]	\$74,050	\$77,013	\$83,297	\$90,095	\$90,095	\$90,095	\$90,095	\$90,095	\$90,095	\$90,095	\$90,095	\$91,495
Denver, CO (Denver Health)	\$46,966	No Response									\$70,450	\$70,450
Fort Worth, TX (Medstar)	\$43,496	\$45,149	\$48,646	\$52,413	\$56,472	\$58,618	\$63,158	\$63,158	\$63,158	\$63,158	\$63,158	\$63,158
Montgomery County, TX [2]	\$48,500	\$49,955	\$63,378	\$67,238	\$71,333	\$72,540	\$72,540	\$72,540	\$72,540	\$72,540	\$72,540	\$72,540
New Orleans, LA [3]	\$44,061	\$44,612	\$45,734	\$46,885	\$48,064	\$48,665	\$50,513	\$52,431	\$54,421	\$56,488	\$63,960	\$73,553
Pittsburgh, PA	\$38,022	\$44,013	\$56,160	\$56,160	\$56,160	\$56,160	\$56,160	\$56,160	\$56,160	\$56,160	\$56,160	\$56,160
Wake County, NC	\$36,329	\$36,962	\$38,272	\$39,624	\$41,018	\$41,746	\$44,741	\$46,322	\$48,797	\$51,397	\$61,006	\$61,006
Williamson County, TX [4]	\$34,791	\$35,835	\$38,017	\$40,332	\$42,789	\$44,072	\$48,159	\$50,402	\$50,402	\$50,402	\$50,402	\$53,522
Median (excluding Austin)	\$43,496	\$44,570	\$47,943	\$51,266	\$54,665	\$55,463	\$58,002	\$59,659	\$59,659	\$59,823	\$63,488	\$63,488
Variance	7.3%	9.9%	7.2%	7.3%	7.7%	13.6%	16.2%	20.9%	29.4%	38.0%	30.1%	32.4%
Austin Rank	4 of 10	3 of 9	4 of 9	4 of 9	3 of 9	3 of 9	3 of 9	3 of 9	2 of 9	2 of 9	2 of 10	2 of 10

[1] Boston: Includes 3.75% hazardous duty pay; CBA expired 6/30/2017; no successor agreement in place

[2] Montgomery County: Assumes annual performance increase of 3% and movement to paramedic in charge at Year 3

[3] New Orleans: Pay schedule reaches maximum of \$72,420 after 40 years of service. Maximums in table assume 30-year career with 1.25% annual steps

[4] Williamson County: Assumes annual merit increases of 3%



EMS Medic Captain – Base Pay

- For EMS Medic Captain, Austin ranks at the top of the comparison group, approximately 41% above the survey group median at maximum

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$52,241	\$92,477	\$93,977
Baton Rouge, LA	\$45,393	\$66,661	\$66,661
Boston, MA	No Response		
Denver, CO (Denver Health)	No Response		
Fort Worth, TX (MedStar)	No Match		
Montgomery County, TX	\$72,000	\$90,000	\$90,000
New Orleans, LA	No Match		
Pittsburgh, PA	\$60,403	\$60,403	\$60,403
Wake County, NC	\$39,972	\$67,122	\$67,122
Williamson County, TX	\$42,392	\$61,498	\$64,618
Median (excluding Austin)	\$45,393	\$66,661	\$66,661
Austin Variance	15.1%	38.7%	41.0%
Austin Rank	3 of 6	1 of 6	1 of 6



EMS Commander – Base Pay

- For EMS Commander, Austin ranks in the top three of the comparison group, approximately 23.5% above the survey group median at maximum

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$58,506	\$103,584	\$105,084
Baton Rouge, LA	\$50,046	\$73,303	\$73,303
Boston, MA [1]	\$77,412	\$107,305	\$107,305
Denver, CO (Denver Health)	No Response		
Fort Worth, TX (MedStar)	\$67,267	\$100,533	\$100,533
Montgomery County, TX	\$90,000	\$112,500	\$112,500
New Orleans, LA [2]	\$51,144	\$74,241	\$85,378
Pittsburgh, PA	\$80,998	\$80,998	\$80,998
Wake County, NC	\$49,920	\$84,864	\$84,864
Williamson County, TX	\$51,718	\$74,935	\$78,055
Median (excluding Austin)	\$59,493	\$82,931	\$85,121
Austin Variance	-1.7%	24.9%	23.5%
Austin Rank	5 of 9	3 of 9	3 of 9

[1] Boston: Agreement expired 9/30/2016; no successor agreement in place. Includes \$2/hr commander differential + \$10/wk Deputy Superintendent differential

[2] New Orleans: Pay schedule reaches maximum of \$84,062 after 40 years of service. Maximums in table assume 30-year career with 1.25% annual steps



EMS Division Chief – Base Pay

- For EMS Division Chief, Austin ranks in the top three of the comparison group, approximately 4% above the survey group median at maximum

	Minimum Base Pay	Maximum Base Pay	Maximum Base + Longevity
Austin, TX	\$65,250	\$116,002	\$117,502
Baton Rouge, LA	\$55,176	\$80,509	\$80,509
Boston, MA	\$84,775	\$115,284	\$115,284
Denver, CO (Denver Health)	No Response		
Fort Worth, TX (Medstar)	\$82,670	\$124,005	\$124,005
Montgomery County, TX	\$90,000	\$116,600	\$116,600
New Orleans, LA*	\$59,366	\$86,176	\$99,103
Pittsburgh, PA	\$67,220	\$85,705	\$85,705
Wake County, NC	\$61,032	\$109,858	\$109,858
Williamson County, TX	\$80,665	\$116,814	\$119,934
Median (excluding Austin)	\$73,943	\$112,571	\$112,571
Austin Variance	-11.8%	3.0%	4.4%
Austin Rank	6 of 9	4 of 9	3 of 9

* New Orleans: Pay schedule reaches maximum of \$97,575 after 40 years of service. Maximums in table assume 30-year career with 1.25% annual steps



Summary

- ◆ Austin's compensation levels generally rank at or near the top of the comparison group – slightly better than the City's relative economic position

Austin Rank	
Population Change (2000 – 2015)	5 of 10
Median Family Income (2015)	4 of 10
Per Capita Income (2015)	2 of 10
Median Home Value (2015)	3 of 10
EMS Medic I Field (Max Base + Longevity)	1 of 7
EMS Medic II Field (Max Base + Longevity)	2 of 10
EMS Medic Captain (Max Base + Longevity)	1 of 6
EMS Commander (Max Base + Longevity)	3 of 9
EMS Division Chief (Max Base + Longevity)	3 of 9



Pay Premiums



EMS Pay Premiums

- ◆ In addition to base pay, the City of Austin offers multiple premium pays that further increase EMS compensation
- ◆ While pay premium practices vary considerably across each of the comparison groups, Austin's pay premiums – in the number of premiums offered and the level of cash compensation provided – are very competitive with the cities surveyed
- ◆ The following slides provide additional perspective on Austin's longevity, education, education/language, and assignment pays structures relative to the comparison group



Longevity

- ◆ Including Austin, only 4 of 10 employers offer longevity pay

Longevity	
Austin, TX	After 5 YOS: YOS x 0.0025 x annual hours; 5-7 YOS: up to an annual maximum of \$500; 7-15 YOS: up to an annual maximum of \$1,000; 15+ YOS: up to an annual maximum of \$1,500
Baton Rouge, LA	-
Boston, MA	10-15 YOS: \$1,100/year 15-20 YOS: \$1,200/year 20-25 YOS: \$1,300/year 25+ YOS: \$1,400/year
Denver, CO (Denver Health)	-
Fort Worth, TX (MedStar)	-
Montgomery County, TX (MCHD)	-
New Orleans, LA	After 1 YOS: 2.50% Additional 2.50% for each 5 YOS (No Max)
Pittsburgh, PA*	-
Wake County, NC*	-
Williamson County, TX	After 5 YOS: \$624 annually for each 5 YOS (Max of \$3,120 at 25 YOS)

* Longevity discontinued for employees hired after 1/1/2006 and 6/15/1995 in Pittsburgh and Wake County, respectively



Education & Tuition Reimbursement

- Austin's education/certification pay levels compare favorably with the survey group
- Only one employer – Montgomery County Hospital District – offers education pay and tuition reimbursement

	Education & Certification	Tuition Reimbursement
Austin, TX	Bachelor's: \$150/month Master's: \$200/month	-
Baton Rouge, LA	-	-
Boston, MA	-	A=75%, B=60%, C=45% P/F course: 50%
Denver, CO (Denver Health)	-	Up to \$2,500 for Bachelor's; Up to \$3,500 for Master's or PhD
Fort Worth, TX (MedStar)	-	Up to \$2,000 for EMT or EMT-P certification per year
Montgomery County, TX (MCHD)	\$250/month for BA or RN \$1,000 for EMT-P	80% if directly related to employment; 50% for other college courses. Max of \$2,500 annually
New Orleans, LA	-	-
Pittsburgh, PA	-	50% of Tuition: Up to 6 credits (non-job related) Unlimited credits (job-related)
Wake County, NC	-	Up to \$1,200 annually, pending availability of funds
Williamson County, TX	-	6 credits per year at 100%



Shift Differential and On-Call Pay

Austin's on-call pay premium compares favorably with the survey group; Austin does not offer shift differential

Only two employers – Baton Rouge and Fort Worth – offer shift differential and on-call pay

	Shift Differential	On-Call Pay
Austin, TX	-	\$2.00/hour
Baton Rouge, LA	\$1.00/hour for shifts beginning after 5PM	1 hour of straight time for each 12-hour shift
Boston, MA	\$1.25/hour for hours between 7AM Saturday through 7AM Monday \$35/week for shifts between 6PM through 8AM	-
Denver, CO (Denver Health)	No Response	No Response
Fort Worth, TX (MedStar)	\$4.00/hr (5PM Friday - 5AM Monday)	\$2.00/hour
Montgomery County, TX (MCHD)	-	-
New Orleans, LA	-	-
Pittsburgh, PA	\$0.75/hour for afternoon tour of duty (beginning between 2-4PM) \$0.90/hour for night tour of duty (beginning between 10PM-12AM)	-
Wake County, NC	-	-
Williamson County, TX	-	-



Bilingual Pay and Field Training Officer Pay

- Austin's bilingual and FTO pay are very competitive with other third service EMS providers surveyed

	Bilingual Pay	FTO
Austin, TX	\$150/month	\$175/month
Baton Rouge, LA	-	-
Boston, MA	-	1 hour OT for every 8 hours as Lead FTO
Denver, CO (Denver Health)	No Response	No Response
Fort Worth, TX (MedStar)	\$65 - \$217/month depending on proficiency	\$1.25/hour
Montgomery County, TX (MCHD)	\$100/month (Spanish)	separate promotional classification
New Orleans, LA	-	-
Pittsburgh, PA	-	-
Wake County, NC	-	separate promotional classification
Williamson County, TX	-	\$150/month



Special Operations/Assignments

- ◆ Austin provides \$150/month for Search & Rescue and HazMat
- ◆ Only Boston and Pittsburgh provide additional premiums for special operations/assignments

	Search & Rescue	HazMat	Other Special Operations/Assignments
Austin, TX	\$150/month	\$150/month	-
Baton Rouge, LA	-	-	-
Boston, MA	-	-	\$152/month (rapid deployment team)
Denver, CO (Denver Health)	-	-	-
Fort Worth, TX (Medstar)	-	-	-
Montgomery County, TX (MCHD)	-	-	-
New Orleans, LA	-	-	-
Pittsburgh, PA	-	\$1.90 per work day	-
Wake County, NC	-	-	-
Williamson County, TX	-	-	-